Verizon New England Inc.
d/b/a Verizon Massachusetts

Commonwealth of Massachusetts

Docket No. 03-60

Respondent: Bruce F. Meacham
Title: Group Manager – Service Costs

REQUEST: AT&T Communications of New England, Inc., Set 4

DATED: January 14, 2004

ITEM: AT&T 4-170

Please fully explain the bases, and provide support, for the following assumptions in Verizon's Wholesale Non-Recurring Cost Model:

(a) The "Connect Typical Occurrence" factor on initial hot cut orders **for querying CLECs about "non flow through orders"** as reported in NMC activity # 2, column D in, respectively:

(i) Tab 1
(ii) Tab 3
(iii) Tab 5
(iv) Tab 7.

(b) The "Connect Typical Occurrence" factor on initial hot cut orders **for creating manual orders, "if necessary,"** as reported in see NMC activity # 4, column D in, respectively:

(i) Tab 1
(ii) Tab 3
(iii) Tab 5
(iv) Tab 7.

(c) The assumption that the "Connect Typical Occurrence" factor on initial hot cut orders for both (1) querying CLECs about "non flow through orders" and (2) creating manual orders, "if necessary," are the same on each of Tabs 1, 3, 5, and 7, respectively. In your response, please explain whether this is a coincidence or whether it is a result of Verizon's process. That is, please explain

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whether or not the initial hot cut orders about which Verizon issues a "non flow through order" query are the same as the orders for which Verizon creates manual orders. If they are the same, please explain why.

(d) The "Disconnect Typical Occurrence" factor on initial hot cut orders **for querying CLECs about "non flow through orders"** as reported in NMC activity # 2, column H in, respectively:

(i) Tab 1
(ii) Tab 3
(iii) Tab 5
(iv) Tab 7.

(e) The "Disconnect Typical Occurrence" factor on initial hot cut orders **for creating manual orders, "if necessary,"** as reported in NMC activity # 4, column H in, respectively:

(i) Tab 1
(ii) Tab 3
(iii) Tab 5
(iv) Tab 7.

(f) The assumption that the "Disconnect Typical Occurrence" factor on initial hot cut orders for both (1) querying CLECs about "non flow through orders" and (2) creating manual orders, "if necessary," are the same on each of Tabs 1, 3, 5, and 7, respectively. In your response, please explain whether this is a coincidence or whether it is a result of Verizon's process. That is, please explain whether or not the initial hot cut orders about which Verizon issues a "non flow through order" query are the same as the orders for which Verizon creates manual orders. If they are the same, please explain why.

REPLY:

(a) The Connect Typical Occurrence Factor ("TOF") for each Tab was the fallout percentage based on earlier Verizon operational data. Subsequent to the study filing date, an additional special study was conducted to determine the percentage of hot cut orders that were manually queried in Massachusetts. The average percentage of hot cut orders that were manually queried

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REPLY: Cont'd

from April to December 2003 in Massachusetts is contained in proprietary Attachment MA ATT 4-170. This figure reflects the Massachusetts specific hot cut TOF associated with the NMC activity titled "Querying CLEC About Non Flow Through Order." Attachment MA ATT 4-170 is considered proprietary and competitively sensitive and is being provided pursuant to the terms of the Department's Protective Order. Verizon MA will file revised pages to its initial cost study reflecting this new data.

(b) The Connect TOF for each Tab was the fallout percentage based on earlier Verizon operational data. Subsequent to the study filing date, an additional special study was conducted to determine the total flowthrough for hot cut orders in Massachusetts. The average non-flowthrough rate for hot cut orders from April to December 2003 in Massachusetts is contained in proprietary Attachment MA ATT 4-170. This figure reflects the Massachusetts specific hot cut experience associated with the NMC activity titled "Create Order Manually, If Necessary." Based on an evaluation of likely future trends for "Create Order Manually, If Necessary," the TOF in the current model was assumed to be an appropriate starting point for the forward looking experience associated with this activity. As such, no changes are necessary to update the current study.

(c) The Connect TOFs for NMC activities #2 (Query) and #4 (Create manual order) were the same because the available non-flowthrough data used were a blend of both queries and manual order confirmations. Verizon MA's recent special studies show that the actual TOFs for each activity are different, as explained in (a) and (b) above. As outlined above, NMC connect activity #2 (Query) will be corrected to reflect this difference. A query and the manual creation of an order could occur for the same order, but would not necessarily do so. A query and the manual creation of an order could occur independently on any one order.

(d) The Disconnect TOF for each Tab represents the fallout percentage based on earlier Verizon order processing

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REPLY: Cont'd

data. Subsequent to the study filing date, an additional special study was conducted to determine the percentage of UNE Loop Disconnect orders that were manually queried in Massachusetts. The average percentage of UNE Loop Disconnect orders that were manually queried from April to December 2003 in Massachusetts is contained in proprietary Attachment MA ATT 4-170. This figure reflects the Massachusetts specific UNE Loop Disconnect TOF associated with the NMC activity titled "Querying CLEC About Non Flow Through Order." Verizon MA will file revised pages to its initial cost study reflecting this new data.

(e) The Disconnect TOF for each Tab represents the fallout percentage based on earlier Verizon order processing data. Subsequent to the study filing date, an additional special study was conducted to determine the total flowthrough for UNE Loop Disconnect orders in Massachusetts. The average non-flowthrough rate for UNE Loop Disconnect orders from April to December 2003 in Massachusetts is contained in proprietary Attachment MA ATT 4-170. This figure reflects the Massachusetts specific UNE Loop Disconnect experience associated with the NMC activity titled "Create Order Manually, If Necessary." Based on an evaluation of likely future trends associated with "Create Order Manually, If Necessary," the TOF in the current model was assumed to be an appropriate starting point for the forward looking experience associated with this activity. As such, no changes are necessary to update the current study.

(f) The Disconnect TOFs for NMC disconnect activities #2 (Query) and #4 (Create manual order) were assumed to be the same based on available order processing data and not a coincidence. Verizon MA's subsequent special studies show that the actual TOFs for each activity are different, as identified in (d) and (e) above. As outlined above, NMC disconnect activity #2 (Query) will be corrected to reflect this difference. A query and the manual creation of an order could occur for the same order, but would not necessarily do so. A query and the manual creation of an order could occur independently on any one order.

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Respondent: Bruce F. Meacham
Title: Group Manager – Service Costs

REQUEST: AT&T Communications of New England, Inc., Set #4

DATED: January 14, 2004

ITEM: AT&T 4-171

If not included in your response to ATT-VZ-170, above, please provide all data, analyses, workpapers, and/or reports upon which Verizon relied in arriving at the factors about which ATT-VZ-170 inquires, and provide an explanation of how Verizon used such information to calculate this Typical Occurrence factor. Please provide all data and calculations in an electronic form in which the data can be manipulated (e.g., Excel spreadsheet).

REPLY:

As stated in Verizon MA's response to MA AT&T Information Request 4-170, Verizon MA has supplemented the original flowthrough data in Exhibit Supp-III with data from additional special studies. Therefore, Verizon MA is no longer basing its cost studies on the operational data contained in Exhibit Supp-III.

Nonetheless, Verizon MA is attaching proprietary Attachment MA ATT 4-171 hereto to provide copies of the reports upon which Verizon MA relied to calculate the original non-flowthrough rate cited in Exhibit Supp-III. The attachment is proprietary and competitively sensitive and is being provided in .pdf format to the Department and parties in accordance with the terms of the Department's Protective Order. Additionally, the attachment is voluminous. Paper copies of the attachment will be provided to the Department, AT&T and Conversent only. Paper copies will be made available for inspection by other parties at the Company's offices upon request.

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Docket No. 03-60

Respondent: Bruce F. Meacham
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REQUEST: AT&T Communications of New England, Inc., Set #4

DATED: January 14, 2004

ITEM: AT&T 4-172

Regarding the assumed percentage in Verizon's Wholesale Non-Recurring Cost Model of initial hot cut orders that do not flow through, as reported in NMC activities # 2 and # 4, column D for each of Tabs 1, 3, 5, and 7, please provide the following information:

(a) Please reconcile the discrepancies between this percentage and the performance rates reported in metrics OR-5-01 and OR-5-03 of Verizon's CLEC Aggregate C2C Reports for Massachusetts for 2003. Please explain why Verizon's assumed non-flow through factor is significantly higher than the non-flow through factor indicated in Verizon's Aggregate C2C Reports for 2003 (e.g., Verizon reports, in metrics OR-5-01 and OR-5-03 of its November, 2003 C2C Report, flow through rates of 95.07 % an 98.82 %, respectively.)

(b) Please provide a list of the reasons causing orders not to flow through as reported in **NMC activity # 2, column D**, in Tabs 1, 3, 5, and 7, respectively, and for each such reason provide the percentage of non-flow through attributable to such reason in Tabs, 1, 3, 5, and 7, respectively, based on the data Verizon used to estimate the Typical Occurrence factor reported in NMC activity #2, column D. Provide all supporting data and calculations in electronic form in a manner that permits AT&T to manipulate the data.

(c) Please provide a list of the reasons causing orders not to flow through as reported in **NMC activity # 4, column D,** in Tabs 1, 3, 5, and 7, respectively, and for each such

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reason provide the percentage of non-flow through attributable to such reason in Tabs, 1, 3, 5, and 7, respectively, based on the data Verizon used to estimate the Typical Occurrence factor reported in NMC activity #4, column D. Provide all supporting data and calculations in electronic form in a manner that permits AT&T to manipulate the data.

(d) Please provide, pursuant to the Protective Order in this case, the Typical Occurrence factor for ***each CLEC*** as found in the data used to estimate the assumed Typical Occurrence factor **for querying CLECs about "non flow through orders"** as reported in NMC activity # 2, column D in, respectively, Tabs, 1, 3, 5, and 7. Alternatively, Verizon may include the name of the CLEC in the data provided in response to ATT-VZ-171 in a manner that permits AT&T to calculate CLEC specific Typical Occurrence factors. If, contrary to AT&T's position, Verizon believes that the name of the CLECs may not be provided even pursuant to the Protective Order, then please identify each CLEC by a letter and provide the requested information, leaving for a later time the proprietary issues.

(e) Please provide, pursuant to the Protective Order in this case, the Typical Occurrence factor for ***each CLEC*** as found in the data used to estimate the assumed Typical Occurrence factor **for creating manual orders, "if necessary,"** as reported in see NMC activity # 4, column D in, respectively:, respectively, Tabs, 1, 3, 5, and 7. Alternatively, Verizon may include the name of the CLEC in the data provided in response to ATT-VZ-171 in a manner that permits AT&T to calculate CLEC specific Typical Occurrence factors. If, contrary to AT&T's position, Verizon believes that the name of the CLECs may not be provided even pursuant to the Protective Order, then please identify each CLEC by a letter and provide the requested information, leaving for a later time the proprietary issues.

REPLY:

(a) C2C Reports cover overall UNE performance. Please see Verizon MA's reply to AT&T 4-170 (b) for MA hot cut- specific performance data.

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REPLY: Cont'd

(b) The data requested is not readily available and cannot be obtained without a special study**.**

Verizon MA is able to provide a Flow Through Error Report for *all* UNE Loop LSRs in Verizon North (NE and NY) territory for the period 1/1/2003 through 9/30/2003, the details for which are attached hereto as Proprietary Exhibit MA-ATT 4-172(b). The information is considered proprietary and is being provided in accordance with the Department's Protective Order.

The following is a list of the five most common reasons for a loop order not to flow through, regardless of whether it involves a hot cut:

1) The products being ordered are not designed to flow through
2) Circuit not found
3) Service address mismatch
4) LNUM/SO count mismatch while building LSC
5) Line sharing not available with AECN/RSID FID on the account

(c) Please see Verizon MA's reply to AT&T 4-172 (b) above.

(d) Verizon MA objects to this request on the grounds that providing the requested information would require a special study. In addition, different TOFs are not calculated on an individual basis for each CLEC.

(e) Please see Verizon MA's reply to AT&T 4-172 (d) above.